

MINUTES

MONTANA SENATE 52nd LEGISLATURE - REGULAR SESSION COMMITTEE ON STATE ADMINISTRATION

Call to Order: By Chairperson Eleanor Vaughn, on April 8, 1991,
at 10 A.M. in room 331.

ROLL CALL

Members Present:

Eleanor Vaughn, Chairman (D)
Bob Pipinich, Vice Chairman (D)
John Jr. Anderson (R)
James Burnett (R)
Bob Hockett (D)
Jack Rea (D)
Bernie Swift (R)

Members Excused: Senators Chet Blaylock, Bill Farrell and Harry Fritz

Staff Present: David Niss (Legislative Council).

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Announcements/Discussion: None

HEARING ON HOUSE BILL 760

Presentation and Opening Statement by Sponsor:

Representative Berv Kimberley, House District 90 said House Bill 760 will equalize the amount of certain disability retirement allowance payments to members of the Firefighters' Unified Retirement System hired after July 1, 1981, with the allowance payments to members hired before July 1, 1981.

Proponents' Testimony:

Tim Bergstrom, representing the Montana State Firemen's Association, said House Bill 760 will correct a disparity when disability retirements are calculated. Firefighters who were hired prior to July 1, 1981 receive a disability retirement equal to 1/2 of their last month's regular salary. Those who were hired after July 1, 1981, receive an amount equal to 1/2 of their average salary of the previous 36 months. This bill changes the method of calculating the disability benefit. It's a fairness issue.

Edward L. Flies, Montana State Council of Professional Firefighters, said this bill is important to the younger firefighters, who are doing the same job and confronting the same hazards as the older ones. He gave an example of 2 firemen injured in the same manner, one receiving a different benefit than the other just because of when he was hired. Firefighters don't get Social Security. This will be an additional .29% that will come out of the Fire Insurance Premium Tax.

Michael Hunt is a retired firefighter. He explained that he retired on a disability in Feb. 1990. He was performing a rescue and the rigging became untied allowing him to fall 55 feet and injure his back, knee and foot. He was on Workmen's Compensation for about 1 year in hopes he could return to work. A specialist told him his condition would not improve, he was lucky to be walking and his condition probably would deteriorate. The city retired him. He receives 1/2 of his last months salary. He's 44 years old with children. He pays health insurance premiums and income tax out of that retirement benefit. He does not have Social Security benefits. His present job pays about 1/2 as much as he earned as a fireman.

Opponents' Testimony:

None

Questions From Committee Members:

Senator Burnett asked Linda King about the actuarial cost of this legislation?

Linda King responded that the cost is .29% of the covered salary and it is funded.

Senator Swift asked where the .29% came from? Linda King responded that it comes from the Fire Insurance Premium Tax and that will amount to \$64,000 for the biennium.

Senator Rea asked why this happened? Linda King explained that in 1981 the Firefighters Unified Retirement System came into being. Before that, individual cities had their own, and that was how their retirement system was set up. In 1981 the first and second class cities were required to be part of the unified system. At that time anyone who was hired into the new system had the benefits calculated by the new system. Previous to that date, everyone was grandfathered into the existing plan and conditions thereof.

Closing by Sponsor:

Representative Kimberley said that firefighting isn't any less dangerous today. The testimony has been good. This bill did survive the scrutiny of the House hearing and Senator Harp will carry it to the Senate.

EXECUTIVE ACTION ON HOUSE BILL 760

Motion:

Senator Burnett moved that we DO CONCUR IN HOUSE BILL 760.

Discussion:

None

Amendments, Discussion, and Votes:

None

Recommendation and Vote:

The VOTE was UNANIMOUS in favor of House Bill 760. Motion carried. Senator Harp will carry House Bill 760 to the State floor.

HEARING ON HOUSE BILL 841

Presentation and Opening Statement by Sponsor:

Representative Ernest Bergsagel, House District 17, said House Bill 840 will allow the alfalfa seed committee to utilize the money generated by the tax on production, whose purpose is to fund research related to alfalfa production in Montana and the responsibility for allocating the monies for said research. The bill has been amended and all we're talking about is approximately \$40,000 that will be allocated to the seed committee that they can allocate when they want.

Proponents' Testimony:

None

Opponents' Testimony:

None

Questions From Committee Members:

Senator Vaughn asked if this allows them statutorily to use the money. Representative Bergsagel said only that portion that does not affect the pay plan.

Closing by Sponsor:

Representative Bergsagel closed by saying that this will help agriculture people help themselves. He would appreciate your support and Senator Hammond will carry it to the Senate.

EXECUTIVE ACTION ON HOUSE BILL 841

Motion:

Senator Rea moved that we DO CONCUR IN HOUSE BILL 841.

Discussion:

None

Amendments, Discussion, and Votes:

None

Recommendation and Vote:

The VOTE was UNANIMOUS in favor of House Bill 841. Senator Pipinich moved that we put HOUSE BILL 841 on the CONSENT CALENDAR. The VOTE was UNANIMOUS for the Consent Calendar. Senator Hammond will carry HB 841 to the Senate floor.

HEARING ON HOUSE BILL 830

Presentation and Opening Statement by Sponsor:

Representative John Phillips, House District 30, Great Falls, explained that House Bill 830 will bring the pre 1975 police retirees up to the same level with current retirees. The method for calculations will be changed and there will be a raise in benefit payments. This bill did survive the House appropriation committee hearing, so that's in it's favor.

Proponents' Testimony:

Curtis Schneider, a retired police officer from Kalispell, said he falls into the category of this bill. The benefits vary across the state among the individual city's police departments. For Kalispell, the amount is about \$38.00 per month behind the fellows who retired after 1975. He would appreciate anything the committee can do for the retired police officers.

Charles Byscsak, a retired police officer from Great Falls, retired in 1972 and this bill would help him, and he appreciates your help with passing this bill.

Tom W. Huff, a retired police officer from Lewistown, does not come under this bill. He is on the Executive Committee for the State Police Retirement Association. These people need more money to live. They do not receive Social Security. It would be more fair to figure these amounts on current basis instead of fiscal year, which puts everyone a year behind.

Ted Wagner, a retired police officer from Kalispell, is a pre 1975 retiree. Kalispell's department has 9 retirees that would be affected by this bill and they do not receive Social Security.

Opponents' Testimony:

None

Questions From Committee Members:

Senator Burnett asked Linda King about the technical aspects of this bill.

Linda King explained that prior to July, 1975 there were individual police departments in each of the cities around the state. In 1975 the system was formed and all the first and second class systems were required to cover their members under the Municipal Police Officer's Retirement System. People who had retired prior to that date, had a minimum retirement benefit under the system that was equal to 1/2 the newly confirmed police officer's pay during the previous calendar year. A few years ago an amendment was put into the law that set a minimum retirement benefit for those who had retired after July 1, 1975, and that used the current fiscal year. So they calculate the retirements based on different time periods. There is an 18 month differential between the benefits. It depends upon the number of raises the different cities have given, too.

Senator Rea asked if we're asking the cities to pay more? Linda King responded that cities are not putting in any money on this. This only kicks in when the retiree's benefits drop below 1/2 of a new officers salary. All the cost of paying the minimum benefit will come out of the Insurance Premium Tax Premium Fund.

Senator Rea asked if this was a lump sum? Linda King explained that it wasn't a lump sum and that it will simplify their calculation process.

Senator Swift asked about the fiscal note because on the front page it says \$2.4 million and on the back page it indicates \$200 thousand. Linda King explained that is correct because there are a number of retirees. The fiscal notes says that the difference of \$99 thousand FY 92 and \$103 thousand in FY 93 will come out of the Tax Premium Benefit Fund to make up this minimum benefit. This will decrease over time because the number of pre 1975 retirees will decrease.

Senator Hockett asked about the general fund? Linda King explained that statutory appropriated funds in excess of those used go into the general fund. So the general fund would not receive the \$203 thousand it would if this bill wasn't enacted. All benefits cost money.

Closing by Sponsor:

Representative Phillips said this is a good bill and they don't get Social Security. It does lower the amount going to the general fund. Senator Fritz will be asked to carry House Bill 830 to the Senate.

EXECUTIVE ACTION ON HOUSE BILL 830

Motion:

Senator Burnett moved that we DO CONCUR IN HOUSE BILL 830.

Discussion:

The committee talked about the costs and decided that the House had given approval because of needs and it was figured in the budget.

Amendments, Discussion, and Votes:

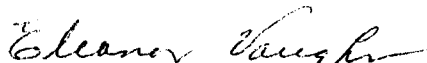
None

Recommendation and Vote:

The VOTE was UNANIMOUS in favor of HOUSE BILL 830. Senator Fritz will carry HB 830 to the Senate floor.

ADJOURNMENT

Adjournment At: 10:35 A.M.



ELEANOR VAUGHN, Chairman



DOLORES HARRIS, Secretary

EV/dh

ROLL CALL

STATE ADMINISTRATION COMMITTEE

DATE April 8, 1991

52 LEGISLATIVE SESSION

NAME	PRESENT	ABSENT	EXCUSED
SENATOR ELEANOR VAUGHN	X		
SENATOR BOB PIPINICH	X		
SENATOR JOHN ANDERSON	X		
SENATOR CHET BLAYLOCK			X
SENATOR JAMES BURNETT	X		
SENATOR "BILL" FARRELL			X
SENATOR HARRY FRITZ			X
SENATOR BOB HOCKETT	X		
SENATOR JACK "DOC" REA	X		
SENATOR BERNIE SWIFT	X		

Each day attach to minutes.

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
April 8, 1991

MR. PRESIDENT:

We, your committee on State Administration having had under consideration House Bill No. 841 (third reading copy -- blue), respectfully report that House Bill No. 841 be concurred in and unanimously recommend that it be placed on the Consent Calendar.

Signed: Eleanor Vaughn
Eleanor Vaughn, Chairman

LB 4/8/91
Amd. Coord.

SP 4/8 1:15
Sec. of Senate

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Page 1 of 1
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Amd. Coord.
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Signed: Eleanor Vaughn
Eleanor Vaughn, Chairman

LB 4/8/91
Amd. Coord.

SP 4/8 1.15
Sec. of Senate

WITNESS STATEMENT

To be completed by a person testifying or a person who wants their testimony entered into the record.

Dated this 8 day of April, 1991.

Name: Tim BERGSTROM

Address: 726 AVE. F
BILLINGS, MT. 59102

Telephone Number: 259-5308 (449-2823)

Representing whom?

MT. STATE FIREMENS ASSOC.

Appearing on which proposal?

HB 760

Do you: Support? X Amend? Oppose?

Comments:

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY

WITNESS STATEMENT

To be completed by a person testifying or a person who wants their testimony entered into the record.

Dated this 8 day of APRIL, 1991.

Name: MICHAEL HUNT

Address: Box 221
PARK CITY UT.

Telephone Number: 633 2565

Representing whom?

SELF

Appearing on which proposal?

HB 760

Do you: Support? X Amend? Oppose?

Comments:

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY

